

January 4, 2013

Since my last update on December 24, 2012 I have had many calls and emails from individuals and financial institutions about what may be done with funds from cashier's checks that have not been presented for payment. While I have no authority or desire to intrude on the relationship between an institution and its customer, I write in the hope that this will assist affiliates and their financial institutions in resolving the issue.

Let me begin by saying that if your cashier's check has been presented for payment your claim will have to be handled through the claims process that we will propose to the Court later this month. Your institution should be able to tell you whether your check has been presented for payment.

I have presented all cashier's checks in the possession of the Receivership for payment. I do not anticipate receiving any additional cashier's checks. Further, I have no plans to submit any Declarations of Loss pursuant to UCC Section 3-312 for cashier's checks as I do not believe that the Receivership has lost possession of any cashier's checks. Likewise, the Receivership will not request the reissuance of unrepresented checks by a financial institution in the future.

Pursuant to the August 30, 2012 Court Order, any cashier's checks I receive that are made payable to the Receivership Defendant are Receivership Assets, and I would be required to deposit any such cashier's checks. As I said, I do not anticipate receiving any such additional cashier's checks. However, if I receive any additional cashier's checks, and such cashier's checks are subsequently dishonored when presented for the first time after December 24, 2012 on the basis of an issuing bank's refund of its remitter, I will not institute legal action or seek recovery from the issuing bank or the remitter for the value of any such cashier's checks.

I hope these statements help both affiliates and financial institutions resolve the issues between them.

Thank you for your continuing support and patience.

Kenneth D. Bell  
Receiver